



CENTER FOR  
**Dairy EXCELLENCE**  
**Dairy Week**  
**In Review**



Dated September 1, 2009

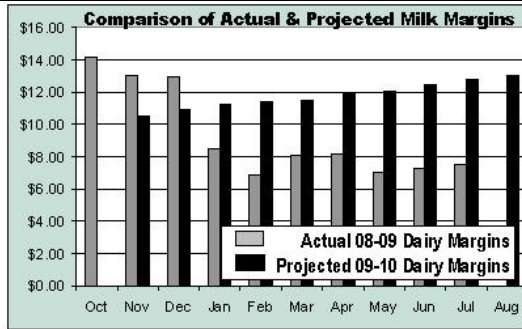
**Federal and State Dairy Policy:**

- U.S. Secretary of Agriculture Tom Vilsack announced that he will appoint up to 15 industry representatives to serve on a Dairy Industry Advisory Committee.
- The new MILC program begins Oct. 1. Producers wishing to select October as their start month must do so by visiting their local FSA office by Sept. 14.

**Markets:**

| Dairy Prices        | Price        | Chge. from Week Ago | Chge. from Month Ago | Chge. from Year Ago |
|---------------------|--------------|---------------------|----------------------|---------------------|
| Milk Price (Sept)** | \$14.54/cwt. | ▲ 5.1%              | No Chge.             | ▼ 20.2%             |
| Corn (Dec)          | \$3.29/lb.   | ▲ 2.5%              | ▼ 2.5%               | ▼ 45.1%             |
| Sbean Meal (Sept)   | \$382.50/ton | ▲ 6.4%              | ▲ 27%                | ▼ 7.6%              |
| Milk Margin*        | \$6.72/cwt.  | —                   | ▲ 5.7%               | ▼ 46.6%             |

\*Each issue of "Dairy Week in Review" will report on current and projected "Milk Margin," or the dollars remaining per one hundred lbs. of milk after feed is



paid for. Milk margin is affected by both milk & feed prices.

\*\* The milk price reported is the Class III futures price for the next month plus a basis of \$2.25, which provides an estimate of what producers can expect to see on their milk check for the coming month.

- The September Class I base price in the Federal Orders is \$10.93, up 89¢ from August. The price yields an estimated MILC payment of \$1.24/cwt.
- Dairymen sent 227,800 cows to slaughter in July, according to USDA's "Livestock Slaughter" report. Culling should pick up again this next month, with an estimated 86,711 additional cows removed through the next CWT herd retirement round, representing about 0.9% of the nation's herd.

**Industry:**

- The USDA "Milk Production" report shows July milk down 0.1% to 14.9 billion lbs., with cow numbers down 115,000 head from a year ago. PA's milk production was up 0.4%, with 1,000 less cows and a 0.6%-increase in milk per cow.
- Total 2009 dairy exports are estimated at 8.1% of all milk produced, while imports are estimated at about 3.6%. Data from the International Trade Commission shows MPC (Milk Protein Concentrate) imports at 0.8% of total U.S. produced dairy solids.

**Programs & Resources:**

- Penn State Dairy Alliance will offer seminars on its Income Over Feed Cost Tool, a resource to help producers monitor feed costs. Call 888-373-7232 for more information.
- The Center for Dairy Excellence will host a conference call on Sept. 29 from 12—1:30 p.m. with Gary Siporski, who will look at dairy markets, producer financials and their options. For more details, call 717-346-0849.

